

**LICENSING AND REGULATION OF CERTAIN OCCUPATIONS
AND ACTIVITIES****CHAPTER 967**

S.B. No. 2065

AN ACT**relating to the licensing and regulation of certain occupations and activities.***Be it enacted by the Legislature of the State of Texas:***ARTICLE 1. VEHICLE PROTECTION PRODUCTS**

SECTION 1.001. Section 17.45, Business & Commerce Code, is amended by adding Subdivisions (14), (15), and (16) to read as follows:

(14) *"Vehicle protection product":*

(A) *means a product or system, including a written warranty:*

(i) *that is:*

(a) *installed on or applied to a vehicle; and*

(b) *designed to prevent loss of or damage to a vehicle from a specific cause; and*

(ii) *under which, after installation or application of the product or system described by Subparagraph (i), if loss or damage results from the failure of the product or system to perform as represented in the warranty, the warrantor, to the extent agreed on as part of the warranty, is required to pay expenses to the person in this state who purchases or otherwise possesses the product or system for the loss of or damage to the vehicle; and*

(B) *may also include identity recovery, as defined by Section 1304.003, Occupations Code, if the product or system described by Paragraph (A) is financed under Chapter 348 or 353, Finance Code.*

(15) *"Warrantor" means a person named under the terms of a vehicle protection product warranty as the contractual obligor to a person in this state who purchases or otherwise possesses a vehicle protection product.*

(16) *"Loss of or damage to the vehicle," for purposes of Subdivision (14)(A)(ii), may also include unreimbursed incidental expenses that may be incurred by the warrantor, including expenses for a replacement vehicle, temporary vehicle rental expenses, and registration expenses for replacement vehicles.*

SECTION 1.002. Section 17.46(b), Business & Commerce Code, as amended by Chapters 1023 (H.B. 1265) and 1080 (H.B. 2573), Acts of the 84th Legislature, Regular Session, 2015, is reenacted and amended to read as follows:

(b) Except as provided in Subsection (d) of this section, the term "false, misleading, or deceptive acts or practices" includes, but is not limited to, the following acts:

(1) passing off goods or services as those of another;

(2) causing confusion or misunderstanding as to the source, sponsorship, approval, or certification of goods or services;

(3) causing confusion or misunderstanding as to affiliation, connection, or association with, or certification by, another;

(4) using deceptive representations or designations of geographic origin in connection with goods or services;

(5) representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities which they do not have or that a person has a sponsorship, approval, status, affiliation, or connection which the person does not;

(6) representing that goods are original or new if they are deteriorated, reconditioned, reclaimed, used, or secondhand;

(7) representing that goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another;

(8) disparaging the goods, services, or business of another by false or misleading representation of facts;

(9) advertising goods or services with intent not to sell them as advertised;

(10) advertising goods or services with intent not to supply a reasonable expectable public demand, unless the advertisements disclosed a limitation of quantity;

(11) making false or misleading statements of fact concerning the reasons for, existence of, or amount of price reductions;

(12) representing that an agreement confers or involves rights, remedies, or obligations which it does not have or involve, or which are prohibited by law;

(13) knowingly making false or misleading statements of fact concerning the need for parts, replacement, or repair service;

(14) misrepresenting the authority of a salesman, representative or agent to negotiate the final terms of a consumer transaction;

(15) basing a charge for the repair of any item in whole or in part on a guaranty or warranty instead of on the value of the actual repairs made or work to be performed on the item without stating separately the charges for the work and the charge for the warranty or guaranty, if any;

(16) disconnecting, turning back, or resetting the odometer of any motor vehicle so as to reduce the number of miles indicated on the odometer gauge;

(17) advertising of any sale by fraudulently representing that a person is going out of business;

(18) advertising, selling, or distributing a card which purports to be a prescription drug identification card issued under Section 4151.152, Insurance Code, in accordance with rules adopted by the commissioner of insurance, which offers a discount on the purchase of health care goods or services from a third party provider, and which is not evidence of insurance coverage, unless:

(A) the discount is authorized under an agreement between the seller of the card and the provider of those goods and services or the discount or card is offered to members of the seller;

(B) the seller does not represent that the card provides insurance coverage of any kind; and

(C) the discount is not false, misleading, or deceptive;

(19) using or employing a chain referral sales plan in connection with the sale or offer to sell of goods, merchandise, or anything of value, which uses the sales technique, plan, arrangement, or agreement in which the buyer or prospective buyer is offered the opportunity to purchase merchandise or goods and in connection with the purchase receives the seller's promise or representation that the buyer shall have the right to receive compensation or consideration in any form for furnishing to the seller the names of other prospective buyers if receipt of the compensation or consideration is contingent upon the occurrence of an event subsequent to the time the buyer purchases the merchandise or goods;

(20) representing that a guaranty or warranty confers or involves rights or remedies which it does not have or involve, provided, however, that nothing in this subchapter shall be construed to expand the implied warranty of merchantability as defined in Sections 2.314 through 2.318 and Sections 2A.212 through 2A.216 to involve obligations in excess of those which are appropriate to the goods;

(21) promoting a pyramid promotional scheme, as defined by Section 17.461;

(22) representing that work or services have been performed on, or parts replaced in, goods when the work or services were not performed or the parts replaced;

(23) filing suit founded upon a written contractual obligation of and signed by the

defendant to pay money arising out of or based on a consumer transaction for goods, services, loans, or extensions of credit intended primarily for personal, family, household, or agricultural use in any county other than in the county in which the defendant resides at the time of the commencement of the action or in the county in which the defendant in fact signed the contract; provided, however, that a violation of this subsection shall not occur where it is shown by the person filing such suit that the person neither knew or had reason to know that the county in which such suit was filed was neither the county in which the defendant resides at the commencement of the suit nor the county in which the defendant in fact signed the contract;

(24) failing to disclose information concerning goods or services which was known at the time of the transaction if such failure to disclose such information was intended to induce the consumer into a transaction into which the consumer would not have entered had the information been disclosed;

(25) using the term "corporation," "incorporated," or an abbreviation of either of those terms in the name of a business entity that is not incorporated under the laws of this state or another jurisdiction;

(26) selling, offering to sell, or illegally promoting an annuity contract under Chapter 22, Acts of the 57th Legislature, 3rd Called Session, 1962 (Article 6228a-5, Vernon's Texas Civil Statutes), with the intent that the annuity contract will be the subject of a salary reduction agreement, as defined by that Act, if the annuity contract is not an eligible qualified investment under that Act or is not registered with the Teacher Retirement System of Texas as required by Section 8A of that Act;

(27) taking advantage of a disaster declared by the governor under Chapter 418, Government Code, by:

(A) selling or leasing fuel, food, medicine, or another necessity at an exorbitant or excessive price; or

(B) demanding an exorbitant or excessive price in connection with the sale or lease of fuel, food, medicine, or another necessity;

(28) using the translation into a foreign language of a title or other word, including "attorney," "lawyer," "licensed," "notary," and "notary public," in any written or electronic material, including an advertisement, a business card, a letterhead, stationery, a website, or an online video, in reference to a person who is not an attorney in order to imply that the person is authorized to practice law in the United States;

(29) ~~[(28)]~~ delivering or distributing a solicitation in connection with a good or service that:

(A) represents that the solicitation is sent on behalf of a governmental entity when it is not; or

(B) resembles a governmental notice or form that represents or implies that a criminal penalty may be imposed if the recipient does not remit payment for the good or service;

(30) ~~[(29)]~~ delivering or distributing a solicitation in connection with a good or service that resembles a check or other negotiable instrument or invoice, unless the portion of the solicitation that resembles a check or other negotiable instrument or invoice includes the following notice, clearly and conspicuously printed in at least 18-point type:

"SPECIMEN-NON-NEGOTIABLE";

(31) ~~[(30)]~~ in the production, sale, distribution, or promotion of a synthetic substance that produces and is intended to produce an effect when consumed or ingested similar to, or in excess of, the effect of a controlled substance or controlled substance analogue, as those terms are defined by Section 481.002, Health and Safety Code:

(A) making a deceptive representation or designation about the synthetic substance; or

(B) causing confusion or misunderstanding as to the effects the synthetic substance causes when consumed or ingested; ~~or~~

(32) ~~[(31)]~~ a licensed public insurance adjuster directly or indirectly soliciting employment, as defined by Section 38.01, Penal Code, for an attorney, or a licensed public insurance adjuster entering into a contract with an insured for the primary purpose of referring the insured to an attorney without the intent to actually perform the services customarily provided by a licensed public insurance adjuster, provided that this subdivision may not be construed to prohibit a licensed public insurance adjuster from recommending a particular attorney to an insured; *or*

(33) *a warrantor of a vehicle protection product warranty using, in connection with the product, a name that includes "casualty," "surety," "insurance," "mutual," or any other word descriptive of an insurance business, including property or casualty insurance, or a surety business.*

SECTION 1.003. Subchapter A, Chapter 348, Finance Code, is amended by adding Section 348.014 to read as follows:

Sec. 348.014. TRANSACTION CONDITIONED ON PURCHASE OF VEHICLE PROTECTION PRODUCT PROHIBITED. (a) In this section, "vehicle protection product" has the meaning assigned by Section 17.45, Business & Commerce Code.

(b) A retail seller may not require as a condition of a retail installment transaction or the cash sale of a motor vehicle that the buyer purchase a vehicle protection product that is not installed on the vehicle at the time of the transaction.

(c) A violation of this section is a false, misleading, or deceptive act or practice within the meaning of Section 17.46, Business & Commerce Code, and is actionable in a public or private suit brought under Subchapter E, Chapter 17, Business & Commerce Code.

SECTION 1.004. Subchapter A, Chapter 353, Finance Code, is amended by adding Section 353.017 to read as follows:

Sec. 353.017. TRANSACTION CONDITIONED ON PURCHASE OF VEHICLE PROTECTION PRODUCT PROHIBITED. (a) In this section, "vehicle protection product" has the meaning assigned by Section 17.45, Business & Commerce Code.

(b) A retail seller may not require as a condition of a retail installment transaction or the cash sale of a commercial vehicle that the buyer purchase a vehicle protection product that is not installed on the vehicle at the time of the transaction.

(c) A violation of this section is a false, misleading, or deceptive act or practice within the meaning of Section 17.46, Business & Commerce Code, and is actionable in a public or private suit brought under Subchapter E, Chapter 17, Business & Commerce Code.

SECTION 1.005. Chapter 2306, Occupations Code, is repealed.

SECTION 1.006. (a) On the effective date of this Act:

(1) an action, including a disciplinary or administrative proceeding, pending under Chapter 51 or 2306, Occupations Code, on the effective date of this Act related to an alleged violation of Chapter 2306, Occupations Code, as that chapter existed immediately before the effective date of this Act, is dismissed;

(2) the Vehicle Protection Product Warrantor Advisory Board is abolished; and

(3) a registration issued under former Chapter 2306, Occupations Code, expires.

(b) As soon as practicable after the effective date of this Act, the Texas Commission of Licensing and Regulation shall repeal all rules regarding the regulation of vehicle protection product warrantors adopted under former Chapter 2306, Occupations Code.

(c) An administrative penalty assessed by the Texas Commission of Licensing and Regulation or the executive director of the Texas Department of Licensing and Regulation related to a violation of Chapter 2306, Occupations Code, as that chapter existed immediately before the effective date of this Act, may be collected as provided by Chapter 51, Occupations Code.

(d) The repeal by this Act of Chapter 2306, Occupations Code, does not affect the va-

lidity or terms of a vehicle protection product warranty that was issued or renewed before the effective date of this Act.

SECTION 1.007. Section 17.46(b), Business & Commerce Code, as amended by this Act, applies only to a cause of action that accrues on or after the effective date of this Act. A cause of action that accrued before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 1.008. Sections 348.014 and 353.017, Finance Code, as added by this Act, apply only to a transaction for the purchase of a motor vehicle or commercial vehicle, as applicable, that occurs on or after the effective date of this Act. A transaction for the purchase of a motor vehicle or commercial vehicle that occurs before the effective date of this Act is governed by the law in effect on the date the transaction occurred, and the former law is continued in effect for that purpose.

ARTICLE 2. NOTARIES PUBLIC

SECTION 2.001. Section 17.46(b), Business & Commerce Code, as amended by Chapters 1023 (H.B. 1265) and 1080 (H.B. 2573), Acts of the 84th Legislature, Regular Session, 2015, is reenacted and amended to read as follows:

(b) Except as provided in Subsection (d) of this section, the term “false, misleading, or deceptive acts or practices” includes, but is not limited to, the following acts:

- (1) passing off goods or services as those of another;
- (2) causing confusion or misunderstanding as to the source, sponsorship, approval, or certification of goods or services;
- (3) causing confusion or misunderstanding as to affiliation, connection, or association with, or certification by, another;
- (4) using deceptive representations or designations of geographic origin in connection with goods or services;
- (5) representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities which they do not have or that a person has a sponsorship, approval, status, affiliation, or connection which the person does not;
- (6) representing that goods are original or new if they are deteriorated, reconditioned, reclaimed, used, or secondhand;
- (7) representing that goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another;
- (8) disparaging the goods, services, or business of another by false or misleading representation of facts;
- (9) advertising goods or services with intent not to sell them as advertised;
- (10) advertising goods or services with intent not to supply a reasonable expectable public demand, unless the advertisements disclosed a limitation of quantity;
- (11) making false or misleading statements of fact concerning the reasons for, existence of, or amount of price reductions;
- (12) representing that an agreement confers or involves rights, remedies, or obligations which it does not have or involve, or which are prohibited by law;
- (13) knowingly making false or misleading statements of fact concerning the need for parts, replacement, or repair service;
- (14) misrepresenting the authority of a salesman, representative or agent to negotiate the final terms of a consumer transaction;
- (15) basing a charge for the repair of any item in whole or in part on a guaranty or warranty instead of on the value of the actual repairs made or work to be performed on the item without stating separately the charges for the work and the charge for the warranty or guaranty, if any;
- (16) disconnecting, turning back, or resetting the odometer of any motor vehicle so as to reduce the number of miles indicated on the odometer gauge;

(17) advertising of any sale by fraudulently representing that a person is going out of business;

(18) advertising, selling, or distributing a card which purports to be a prescription drug identification card issued under Section 4151.152, Insurance Code, in accordance with rules adopted by the commissioner of insurance, which offers a discount on the purchase of health care goods or services from a third party provider, and which is not evidence of insurance coverage, unless:

(A) the discount is authorized under an agreement between the seller of the card and the provider of those goods and services or the discount or card is offered to members of the seller;

(B) the seller does not represent that the card provides insurance coverage of any kind; and

(C) the discount is not false, misleading, or deceptive;

(19) using or employing a chain referral sales plan in connection with the sale or offer to sell of goods, merchandise, or anything of value, which uses the sales technique, plan, arrangement, or agreement in which the buyer or prospective buyer is offered the opportunity to purchase merchandise or goods and in connection with the purchase receives the seller's promise or representation that the buyer shall have the right to receive compensation or consideration in any form for furnishing to the seller the names of other prospective buyers if receipt of the compensation or consideration is contingent upon the occurrence of an event subsequent to the time the buyer purchases the merchandise or goods;

(20) representing that a guaranty or warranty confers or involves rights or remedies which it does not have or involve, provided, however, that nothing in this subchapter shall be construed to expand the implied warranty of merchantability as defined in Sections 2.314 through 2.318 and Sections 2A.212 through 2A.216 to involve obligations in excess of those which are appropriate to the goods;

(21) promoting a pyramid promotional scheme, as defined by Section 17.461;

(22) representing that work or services have been performed on, or parts replaced in, goods when the work or services were not performed or the parts replaced;

(23) filing suit founded upon a written contractual obligation of and signed by the defendant to pay money arising out of or based on a consumer transaction for goods, services, loans, or extensions of credit intended primarily for personal, family, household, or agricultural use in any county other than in the county in which the defendant resides at the time of the commencement of the action or in the county in which the defendant in fact signed the contract; provided, however, that a violation of this subsection shall not occur where it is shown by the person filing such suit that the person neither knew or had reason to know that the county in which such suit was filed was neither the county in which the defendant resides at the commencement of the suit nor the county in which the defendant in fact signed the contract;

(24) failing to disclose information concerning goods or services which was known at the time of the transaction if such failure to disclose such information was intended to induce the consumer into a transaction into which the consumer would not have entered had the information been disclosed;

(25) using the term "corporation," "incorporated," or an abbreviation of either of those terms in the name of a business entity that is not incorporated under the laws of this state or another jurisdiction;

(26) selling, offering to sell, or illegally promoting an annuity contract under Chapter 22, Acts of the 57th Legislature, 3rd Called Session, 1962 (Article 6228a-5, Vernon's Texas Civil Statutes), with the intent that the annuity contract will be the subject of a salary reduction agreement, as defined by that Act, if the annuity contract is not an eligible qualified investment under that Act or is not registered with the Teacher Retirement System of Texas as required by Section 8A of that Act;

(27) taking advantage of a disaster declared by the governor under Chapter 418, Government Code, by:

(A) selling or leasing fuel, food, medicine, or another necessity at an exorbitant or excessive price; or

(B) demanding an exorbitant or excessive price in connection with the sale or lease of fuel, food, medicine, or another necessity;

(28) using the translation into a foreign language of a title or other word, including “attorney,” “*immigration consultant*,” “*immigration expert*,” “lawyer,” “licensed,” “notary,” and “notary public,” in any written or electronic material, including an advertisement, a business card, a letterhead, stationery, a website, or an online video, in reference to a person who is not an attorney in order to imply that the person is authorized to practice law in the United States;

(29) [(28)] delivering or distributing a solicitation in connection with a good or service that:

(A) represents that the solicitation is sent on behalf of a governmental entity when it is not; or

(B) resembles a governmental notice or form that represents or implies that a criminal penalty may be imposed if the recipient does not remit payment for the good or service;

(30) [(29)] delivering or distributing a solicitation in connection with a good or service that resembles a check or other negotiable instrument or invoice, unless the portion of the solicitation that resembles a check or other negotiable instrument or invoice includes the following notice, clearly and conspicuously printed in at least 18-point type:

“SPECIMEN–NON–NEGOTIABLE”;

(31) [(30)] in the production, sale, distribution, or promotion of a synthetic substance that produces and is intended to produce an effect when consumed or ingested similar to, or in excess of, the effect of a controlled substance or controlled substance analogue, as those terms are defined by Section 481.002, Health and Safety Code:

(A) making a deceptive representation or designation about the synthetic substance; or

(B) causing confusion or misunderstanding as to the effects the synthetic substance causes when consumed or ingested; or

(32) [(31)] a licensed public insurance adjuster directly or indirectly soliciting employment, as defined by Section 38.01, Penal Code, for an attorney, or a licensed public insurance adjuster entering into a contract with an insured for the primary purpose of referring the insured to an attorney without the intent to actually perform the services customarily provided by a licensed public insurance adjuster, provided that this subdivision may not be construed to prohibit a licensed public insurance adjuster from recommending a particular attorney to an insured.

SECTION 2.002. Section 406.017, Government Code, is amended by amending Subsection (a) and adding Subsection (a–1) to read as follows:

(a) A person commits an offense if the person is a notary public and the person:

(1) states or implies that the person is an attorney licensed to practice law in this state;

(2) solicits or accepts compensation to prepare documents for or otherwise represent the interest of another in a judicial or administrative proceeding, including a proceeding relating to immigration or admission to the United States, United States citizenship, or related matters;

(3) solicits or accepts compensation to obtain relief of any kind on behalf of another from any officer, agency, or employee of this state or the United States;

(4) uses the phrase “notario” or “notario publico” to advertise the services of a notary public, whether by signs, pamphlets, stationery, or other written communication or by radio or television; or

(5) advertises the services of a notary public in a language other than English, whether by signs, pamphlets, stationery, or other written communication or by radio or television, if the person does not post or otherwise include with the advertisement a notice that complies with Subsection (b).

(a-1) A person does not violate this section by offering or providing language translation or typing services and accepting compensation.

SECTION 2.003. The change in law made by this article to Section 17.46(b), Business & Commerce Code, applies only to a cause of action that accrues on or after the effective date of this Act. A cause of action that accrued before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 2.004. The change in law made by this article to Section 406.017, Government Code, applies only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect when the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

ARTICLE 3. REPORT ON OCCUPATIONAL LICENSING BY COMPTROLLER

SECTION 3.001. Subchapter B, Chapter 403, Government Code, is amended by adding Section 403.03058 to read as follows:

Sec. 403.03058. REPORT ON OCCUPATIONAL LICENSING. (a) Not later than December 31 of each even-numbered year, the comptroller shall prepare and submit to the legislature a report regarding all occupational licenses, including permits, certifications, and registrations, required by this state. The report must include:

(1) for each type of license:

(A) a description of the license;

(B) the department with regulatory authority for the license;

(C) the number of active licenses;

(D) the cost of an initial application for the license and for a renewal of the license; and

(E) the amount of state revenue generated from the issuance and renewal of the license; and

(2) a list of all statutory provisions requiring a license that were abolished during the previous legislative session.

(b) The comptroller shall post on its Internet website the report prepared under Subsection (a).

SECTION 3.002. Not later than December 31, 2018, the comptroller of public accounts shall provide the initial report to the legislature as required by Section 403.03058, Government Code, as added by this article.

ARTICLE 4. CERTIFICATE OF AUTHORITY; OVER-THE-COUNTER SALE OF EPHEDRINE, PSEUDOEPHEDRINE, AND NORPSEUDOEPHEDRINE BY ESTABLISHMENTS OTHER THAN PHARMACIES

SECTION 4.001. Sections 486.004(a) and (b), Health and Safety Code, are amended to read as follows:

(a) The department shall collect fees for:

~~[(1) the issuance of a certificate of authority under this chapter; and~~

~~[(2)] an inspection performed in enforcing this chapter and rules adopted under this chapter.~~

(b) The executive commissioner by rule shall set the fees in amounts that allow the department to recover the biennial expenditures of state funds by the department in:

~~[(1) reviewing applications for the issuance of a certificate of authority under this chapter;~~

~~[(2) issuing certificates of authority under this chapter;~~

~~[(3) inspecting and auditing a business establishment that is issued a certificate of authority under this chapter; and~~

~~[(4) otherwise]~~ implementing and enforcing this chapter.

SECTION 4.002. Section 486.0142(b), Health and Safety Code, is amended to read as follows:

(b) On application by a business establishment that engages in over-the-counter sales of products containing ephedrine, pseudoephedrine, or norpseudoephedrine ~~[in accordance with a certificate of authority issued under Section 486.012]~~, the department may grant that business establishment a temporary exemption, not to exceed 180 days, from the requirement of using a real-time electronic logging system under this chapter.

SECTION 4.003. Section 486.012, Health and Safety Code, is repealed.

ARTICLE 5. TITLE ATTORNEY LICENSE; ATTORNEY'S TITLE INSURANCE COMPANY

SECTION 5.001. Section 35.001(2), Insurance Code, is amended to read as follows:

(2) "Regulated entity" means each insurer, organization, person, or program regulated by the department, including:

(A) a domestic or foreign, stock or mutual, life, health, or accident insurance company;

(B) a domestic or foreign, stock or mutual, fire or casualty insurance company;

(C) a Mexican casualty company;

(D) a domestic or foreign Lloyd's plan;

(E) a domestic or foreign reciprocal or interinsurance exchange;

(F) a domestic or foreign fraternal benefit society;

(G) a domestic or foreign title insurance company;

(H) ~~[an attorney's title insurance company;~~

~~[(H)]~~ a stipulated premium company;

(I) ~~[(J)]~~ a nonprofit legal service corporation;

(J) ~~[(K)]~~ a health maintenance organization;

(K) ~~[(L)]~~ a statewide mutual assessment company;

(L) ~~[(M)]~~ a local mutual aid association;

(M) ~~[(N)]~~ a local mutual burial association;

(N) ~~[(O)]~~ an association exempt under Section 887.102;

(O) ~~[(P)]~~ a nonprofit hospital, medical, or dental service corporation, including a company subject to Chapter 842;

(P) ~~[(Q)]~~ a county mutual insurance company;

(Q) ~~[(R)]~~ a farm mutual insurance company; and

(R) ~~[(S)]~~ an agency or agent of an insurer, organization, person, or program described by this subdivision.

SECTION 5.002. Section 82.002(a), Insurance Code, is amended to read as follows:

(a) This chapter applies to each company regulated by the commissioner, including:

(1) a domestic or foreign, stock or mutual, life, health, or accident insurance company;

- (2) a domestic or foreign, stock or mutual, fire or casualty insurance company;
- (3) a Mexican casualty company;
- (4) a domestic or foreign Lloyd's plan insurer;
- (5) a domestic or foreign reciprocal or interinsurance exchange;
- (6) a domestic or foreign fraternal benefit society;
- (7) a domestic or foreign title insurance company;
- (8) ~~[an attorney's title insurance company;~~
- ~~[(9)]~~ a stipulated premium insurance company;
- (9) ~~[(10)]~~ a nonprofit legal service corporation;
- (10) ~~[(11)]~~ a health maintenance organization;
- (11) ~~[(12)]~~ a statewide mutual assessment company;
- (12) ~~[(13)]~~ a local mutual aid association;
- (13) ~~[(14)]~~ a local mutual burial association;
- (14) ~~[(15)]~~ an association exempt under Section 887.102;
- (15) ~~[(16)]~~ a nonprofit hospital, medical, or dental service corporation, including a company subject to Chapter 842;
- (16) ~~[(17)]~~ a county mutual insurance company; and
- (17) ~~[(18)]~~ a farm mutual insurance company.

SECTION 5.003. Section 83.002(a), Insurance Code, is amended to read as follows:

(a) This chapter applies to each company regulated by the commissioner, including:

- (1) a domestic or foreign, stock or mutual, life, health, or accident insurance company;
- (2) a domestic or foreign, stock or mutual, fire or casualty insurance company;
- (3) a Mexican casualty company;
- (4) a domestic or foreign Lloyd's plan insurer;
- (5) a domestic or foreign reciprocal or interinsurance exchange;
- (6) a domestic or foreign fraternal benefit society;
- (7) a domestic or foreign title insurance company;
- (8) ~~[an attorney's title insurance company;~~
- ~~[(9)]~~ a stipulated premium insurance company;
- (9) ~~[(10)]~~ a nonprofit legal service corporation;
- (10) ~~[(11)]~~ a statewide mutual assessment company;
- (11) ~~[(12)]~~ a local mutual aid association;
- (12) ~~[(13)]~~ a local mutual burial association;
- (13) ~~[(14)]~~ an association exempt under Section 887.102;
- (14) ~~[(15)]~~ a nonprofit hospital, medical, or dental service corporation, including a company subject to Chapter 842;
- (15) ~~[(16)]~~ a county mutual insurance company; and
- (16) ~~[(17)]~~ a farm mutual insurance company.

SECTION 5.004. Section 554.001, Insurance Code, is amended to read as follows:

Sec. 554.001. APPLICABILITY OF CHAPTER. This chapter applies to each insurer or health maintenance organization engaged in the business of insurance or the business of a health maintenance organization in this state, regardless of form and however organized, including:

- (1) a stock life, health, or accident insurance company;
- (2) a mutual life, health, or accident insurance company;
- (3) a stock fire or casualty insurance company;
- (4) a mutual fire or casualty insurance company;
- (5) a Mexican casualty insurance company;
- (6) a Lloyd's plan;
- (7) a reciprocal or interinsurance exchange;
- (8) a fraternal benefit society;
- (9) a title insurance company;
- (10) ~~[an attorney's title insurance company;~~
- ~~[(11)]~~ a stipulated premium company;
- (11) ~~[(12)]~~ a nonprofit legal services corporation;
- (12) ~~[(13)]~~ a statewide mutual assessment company;
- (13) ~~[(14)]~~ a local mutual aid association;
- (14) ~~[(15)]~~ a local mutual burial association;
- (15) ~~[(16)]~~ an association exempt under Section 887.102;
- (16) ~~[(17)]~~ a nonprofit hospital, medical, or dental service corporation, including a corporation subject to Chapter 842;
- (17) ~~[(18)]~~ a county mutual insurance company;
- (18) ~~[(19)]~~ a farm mutual insurance company; and
- (19) ~~[(20)]~~ an insurer or health maintenance organization engaged in the business of insurance or the business of a health maintenance organization in this state that does not hold a certificate of authority issued by the department or is not otherwise authorized to engage in business in this state.

SECTION 5.005. Section 703.001, Insurance Code, is amended to read as follows:

Sec. 703.001. DEFINITION. In this chapter, "covered entity" means a health maintenance organization or insurer regulated by the department, including:

- (1) a stock life, health, or accident insurance company;
- (2) a mutual life, health, or accident insurance company;
- (3) a stock fire or casualty insurance company;
- (4) a mutual fire or casualty insurance company;
- (5) a Mexican casualty insurance company;
- (6) a Lloyd's plan;
- (7) a reciprocal or interinsurance exchange;
- (8) a fraternal benefit society;
- (9) a title insurance company;
- (10) ~~[an attorney's title insurance company;~~
- ~~[(11)]~~ a stipulated premium company;
- (11) ~~[(12)]~~ a nonprofit legal services corporation;
- (12) ~~[(13)]~~ a statewide mutual assessment company;
- (13) ~~[(14)]~~ a local mutual aid association;
- (14) ~~[(15)]~~ a local mutual burial association;
- (15) ~~[(16)]~~ an association exempt under Section 887.102;
- (16) ~~[(17)]~~ a nonprofit hospital, medical, or dental service corporation, including a corporation subject to Chapter 842;

(17) ~~[(18)]~~ a county mutual insurance company; and

(18) ~~[(19)]~~ a farm mutual insurance company.

SECTION 5.006. Section 802.051, Insurance Code, is amended to read as follows:

Sec. 802.051. APPLICABILITY OF SUBCHAPTER. This subchapter applies to each company regulated by the commissioner, including:

(1) a stock life, health, or accident insurance company;

(2) a mutual life, health, or accident insurance company;

(3) a stock fire or casualty insurance company;

(4) a mutual fire or casualty insurance company;

(5) a Mexican casualty company;

(6) a Lloyd's plan;

(7) a reciprocal or interinsurance exchange;

(8) a fraternal benefit society;

(9) a title insurance company;

(10) ~~[an attorney's title insurance company;~~

~~[(11)]~~ a stipulated premium insurance company;

(11) ~~[(12)]~~ a nonprofit legal service corporation;

(12) ~~[(13)]~~ a health maintenance organization;

(13) ~~[(14)]~~ a statewide mutual assessment company;

(14) ~~[(15)]~~ a local mutual aid association;

(15) ~~[(16)]~~ a local mutual burial association;

(16) ~~[(17)]~~ an association exempt under Section 887.102;

(17) ~~[(18)]~~ a nonprofit hospital, medical, or dental service corporation, including a company subject to Chapter 842;

(18) ~~[(19)]~~ a county mutual insurance company; and

(19) ~~[(20)]~~ a farm mutual insurance company.

SECTION 5.007. Section 2551.053(a), Insurance Code, is amended to read as follows:

(a) A ~~[Except as provided by Section 2552.053(b), a]~~ title insurance company must have a paid-up capital of at least \$1 million and a surplus of at least \$1 million.

SECTION 5.008. Section 2602.003(2), Insurance Code, is amended to read as follows:

(2) "Agent" includes:

(A) a title insurance agent, as defined by Section 2501.003; *and*

(B) ~~[a title attorney, as defined by Section 2552.002; and~~

~~[(C)]~~ a direct operation or a title insurance company's wholly owned subsidiary or affiliate that performs the services usually and customarily performed by a title insurance agent.

SECTION 5.009. Chapter 2552, Insurance Code, is repealed.

SECTION 5.010. The changes in law made by this article do not affect the right of any individual licensed before the effective date of this Act to engage in the applicable occupation for the remainder of the term for which the license was issued.

ARTICLE 6. EMERGENCY MANAGING GENERAL AGENT LICENSE

SECTION 6.001. Section 4053.052, Insurance Code, is repealed.

SECTION 6.002. The changes in law made by this article do not affect the right of any individual licensed before the effective date of this Act to engage in the applicable occupation for the remainder of the term for which the license was issued.

ARTICLE 7. TEMPORARY COMMON WORKER EMPLOYERS

SECTION 7.001. Section 92.001(a), Labor Code, is amended to read as follows:

(a) The legislature finds that this chapter is necessary to:

(1) provide for the health, safety, and welfare of *common* workers throughout this state; and

(2) establish uniform standards of conduct and practice for *temporary common worker* ~~[certain]~~ employers in this state.

SECTION 7.002. Section 92.002, Labor Code, is amended by amending Subdivision (6) and adding Subdivision (6-a) to read as follows:

(6) "Labor hall" means a central location maintained by a *temporary common worker employer* ~~[license holder]~~ where common workers assemble and are dispatched to work for a user of common workers.

(6-a) "Municipality" has the meaning assigned by Section 1.005, Local Government Code.

SECTION 7.003. The heading to Subchapter B, Chapter 92, Labor Code, is amended to read as follows:

SUBCHAPTER B. *AUTHORITY TO OPERATE* ~~[LICENSE REQUIREMENTS]~~

SECTION 7.004. Subchapter B, Chapter 92, Labor Code, is amended by adding Section 92.0115 to read as follows:

Sec. 92.0115. AUTHORITY TO OPERATE. Subject to Section 92.013 and unless prohibited by a governmental subdivision, a person may operate as a temporary common worker employer in this state if the person meets the requirements of this chapter.

SECTION 7.005. The heading to Section 92.012, Labor Code, is amended to read as follows:

Sec. 92.012. EXEMPTIONS ~~[FROM LICENSING REQUIREMENT]~~.

SECTION 7.006. Section 92.013(b), Labor Code, is amended to read as follows:

(b) A municipality with a population greater than one million may establish municipal ~~[licensing]~~ requirements that impose stricter standards of *conduct and practice* than those imposed under Subchapter C.

SECTION 7.007. The heading to Subchapter C, Chapter 92, Labor Code, is amended to read as follows:

SUBCHAPTER C. *STANDARDS OF CONDUCT AND PRACTICE* ~~[POWERS AND DUTIES OF LICENSE HOLDER]~~

SECTION 7.008. Section 92.021, Labor Code, is amended to read as follows:

Sec. 92.021. POWERS AND DUTIES OF ~~[LICENSE HOLDER AS]~~ EMPLOYER.

(a) Each *temporary common worker employer* ~~[license holder]~~ is the employer of the common workers provided by that *temporary common worker employer* ~~[license holder]~~.

(b) A *temporary common worker employer* ~~[license holder]~~ may hire, reassign, control, direct, and discharge the employees of the *temporary common worker employer* ~~[license holder]~~.

SECTION 7.009. Section 92.022, Labor Code, is amended to read as follows:

Sec. 92.022. REQUIRED RECORDS; CONFIDENTIALITY. (a) Each temporary common worker employer ~~[license holder]~~ *shall maintain and make available to a governmental subdivision* ~~[representative of the department]~~ *records that show for each common worker provided by the temporary common worker employer* ~~[license holder]~~ *to a user of common workers:*

- (1) the name and address of the worker;
- (2) the hours worked;
- (3) the places at which the work was performed;

- (4) the wages paid to the worker; and
- (5) any deductions made from those wages.

(b) The *temporary common worker employer* ~~[license holder]~~ shall maintain the records at least until the second anniversary of the date on which the worker was last employed by the *temporary common worker employer* ~~[license holder]~~.

(c) Information received by the *governmental subdivision* ~~[commission or department]~~ under this section is privileged and confidential and is for the exclusive use of the *governmental subdivision* ~~[commission or department]~~. The information may not be disclosed to any other person except on the entry of a court order requiring disclosure or on the written consent of a person under investigation who is the subject of the records.

SECTION 7.010. Section 92.023(b), Labor Code, is amended to read as follows:

(b) Each *temporary common worker employer* ~~[license holder]~~ shall ~~[also]~~ post in a conspicuous place in the ~~[licensed]~~ premises *on which the temporary common worker employer operates* a notice of any charge permitted under this chapter that the *temporary common worker employer* ~~[license holder]~~ may assess against a common worker for equipment, tools, transportation, or other work-related services.

SECTION 7.011. Section 92.024, Labor Code, is amended to read as follows:

Sec. 92.024. LABOR HALL REQUIREMENTS. A *temporary common worker employer* ~~[license holder]~~ that operates a labor hall as part of a ~~[licensed]~~ premises *on which the temporary common worker employer operates* shall provide adequate facilities for a worker waiting for a job assignment. The facilities must include:

- (1) restroom facilities for both men and women;
- (2) drinking water;
- (3) sufficient seating; and
- (4) access to vending refreshments and food.

SECTION 7.012. Section 92.025, Labor Code, is amended to read as follows:

Sec. 92.025. CERTAIN CHARGES AND DEDUCTIONS PROHIBITED. (a) A *temporary common worker employer* ~~[license holder]~~ may not charge a common worker for:

- (1) safety equipment, clothing, or accessories required by the nature of the work, either by law, custom, or the requirements of the user of common workers;
- (2) uniforms, special clothing, or other items required as a condition of employment by the user of common workers;
- (3) the cashing of a check or voucher; or
- (4) the receipt by the worker of earned wages.

(b) A *temporary common worker employer* ~~[license holder]~~ may not deduct or withhold any amount from the earned wages of a common worker except:

- (1) a deduction required by federal or state law; or
- (2) a reimbursement for a cash advance made to the worker during the same pay period.

SECTION 7.013. Chapter 92, Labor Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. ENFORCEMENT

Sec. 92.031. ENFORCEMENT. A *governmental subdivision* may enforce this chapter within the boundaries of the *governmental subdivision*.

SECTION 7.014. The following provisions of the Labor Code are repealed:

- (1) Sections 92.002(1), (4), and (4-a);
- (2) Section 92.003;
- (3) Section 92.004;

- (4) Section 92.011;
- (5) Section 92.013(a);
- (6) Section 92.014;
- (7) Section 92.015; and
- (8) Section 92.023(a).

SECTION 7.015. (a) An administrative proceeding pending under Chapter 51, Occupations Code, or Chapter 92, Labor Code, on the effective date of this Act related to a violation of Chapter 92, Labor Code, as that chapter existed immediately before the effective date of this Act, is dismissed.

(b) An administrative penalty assessed by the Texas Commission of Licensing and Regulation or the executive director of the Texas Department of Licensing and Regulation related to a violation of Chapter 92, Labor Code, as that chapter existed immediately before the effective date of this Act, may be collected as provided by Chapter 51, Occupations Code.

(c) The changes in law made by this Act do not affect the pending prosecution of an offense under Chapter 92, Labor Code, as that chapter existed immediately before the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this subsection, an offense was committed before the effective date of this Act if any element of the offense was committed before that date.

ARTICLE 8. FOR-PROFIT LEGAL SERVICE CONTRACT COMPANIES

SECTION 8.001. Section 953.001(1), Occupations Code, is amended to read as follows:

(1) "Administrator" means the person responsible for the administration of a legal service contract. ~~[The term includes a person responsible for any filing required by this chapter.]~~

SECTION 8.002. Section 953.156, Occupations Code, is amended to read as follows:

Sec. 953.156. FORM OF LEGAL SERVICE CONTRACT AND REQUIRED DISCLOSURES. ~~[(a) A legal service contract must be filed with the executive director before it is marketed, sold, offered for sale, administered, or issued in this state. Any subsequent endorsement or attachment to the contract must also be filed with the executive director before the endorsement or attachment is delivered to legal service contract holders.~~

~~[(b)]~~ A legal service contract marketed, sold, offered for sale, administered, or issued in this state must:

- (1) be written, printed, or typed in clear, understandable language that is easy to read;
- (2) include the name and full address of the company;
- (3) include the purchase price of the contract and the terms under which the contract is sold;
- (4) include the terms and restrictions governing cancellation of the contract by the company or the legal service contract holder;
- (5) identify:
 - (A) any administrator, if the administrator is not the company;
 - (B) the sales representative; and
 - (C) the name of the legal service contract holder;
- (6) include the amount of any deductible or copayment;
- (7) specify the legal services and other benefits to be provided under the contract, and any limitation, exception, or exclusion;

(8) specify the legal services, if any, for which the company will provide reimbursement and the amount of that reimbursement;

(9) specify any restriction governing the transferability of the contract or the assignment of benefits;

(10) include the duties of the legal service contract holder;

(11) ~~include the contact information for the department, including the department's toll-free number and electronic mail address, as well as a statement that the department regulates the company and the company's sales representatives;~~

~~[(12)]~~ explain the method to be used in resolving the legal service contract holder's complaints and grievances;

(12) ~~[(13)]~~ explain how legal services may be obtained under the legal service contract;

(13) ~~[(14)]~~ include a provision stating that no change in the contract is valid until the change has been approved by an executive officer of the company and unless the approval is endorsed or attached to the contract;

(14) ~~[(15)]~~ include any eligibility and effective date requirements, including a definition of eligible dependents and the effective date of their coverage;

(15) ~~[(16)]~~ include the conditions under which coverage will terminate;

(16) ~~[(17)]~~ explain any subrogation arrangements;

(17) ~~[(18)]~~ contain a payment provision that provides for a grace period of at least 31 days; *and*

(18) ~~[(19)]~~ include conditions under which contract rates may be modified; ~~and~~

~~[(20)] include any other items required by the executive director as determined by rule.~~

SECTION 8.003. Section 953.162, Occupations Code, is amended to read as follows:

Sec. 953.162. APPOINTMENT AND RESPONSIBILITIES OF ADMINISTRATOR. ~~[(a)]~~ A company may appoint an administrator or designate a person to be responsible for:

(1) all or any part of the administration or sale of legal service contracts; and

(2) compliance with this chapter.

~~[(b) The executive director may adopt rules regarding the registration of an administrator with the department.]~~

SECTION 8.004. Chapter 953, Occupations Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. ENFORCEMENT

Sec. 953.251. DECEPTIVE TRADE PRACTICE. A violation of this chapter is a deceptive trade practice actionable under Subchapter E, Chapter 17, Business & Commerce Code.

SECTION 8.005. The following provisions of the Occupations Code are repealed:

(1) Sections 953.001(4), (5), and (6);

(2) Sections 953.004, 953.005, and 953.155; and

(3) Subchapters B, C, and E, Chapter 953.

SECTION 8.006. (a) On the effective date of this article, a registration issued under former Subchapter B, Chapter 953, Occupations Code, expires.

(b) On the effective date of this article, a pending proceeding under Chapter 953, Occupations Code, including a complaint investigation, disciplinary action, or administrative penalty proceeding, relating to a registration issued under former Subchapter B, Chapter 953, Occupations Code, or relating to another former provision of Chapter 953, Occupations Code, that is repealed by this article, is dismissed.

SECTION 8.007. This article takes effect September 1, 2019.

ARTICLE 9. PLUMBING

SECTION 9.001. Section 1301.704, Occupations Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) *Failure to request a hearing or accept the determination and recommended penalty within the time provided by this section waives the right to a hearing under this chapter.*

(d) *If the board determines without a hearing that the person committed a violation and a penalty is to be imposed, the board shall:*

(1) *provide written notice to the person of the board's findings; and*

(2) *enter an order requiring the person to pay the recommended penalty.*

SECTION 9.002. Section 1301.705(a), Occupations Code, is amended to read as follows:

(a) If the person requests a hearing ~~or fails to respond in a timely manner to the notice~~, the enforcement committee shall set a hearing and give written notice of the hearing to the person. An administrative law judge of the State Office of Administrative Hearings shall hold the hearing.

SECTION 9.003. The change in law made by this article to Section 1301.704, Occupations Code, applies only to imposition of an administrative penalty against a person who receives notice under Section 1301.703(b), Occupations Code, on or after the effective date of this Act. An administrative penalty for which notice under that section is received before the effective date of this Act is governed by the law in effect on the date the notice was received, and the former law is continued in effect for that purpose.

ARTICLE 10. BARBERING AND COSMETOLOGY

SECTION 10.001. Section 1601.002, Occupations Code, is amended to read as follows:

Sec. 1601.002. DEFINITION OF BARBERING. In this chapter, "barbering," "practicing barbering," or the "practice of barbering" means:

(1) performing or offering or attempting to perform for compensation or the promise of compensation any of the following services:

(A) treating a person's mustache or beard by arranging, beautifying, coloring, processing, shaving, styling, or trimming;

(B) treating a person's hair by:

(i) arranging, beautifying, bleaching, cleansing, coloring, curling, dressing, dyeing, processing, ~~shampooing,~~ shaping, singeing, straightening, styling, tinting, or waving;

(ii) providing a necessary service that is preparatory or ancillary to a service under Subparagraph (i), including bobbing, clipping, cutting, or trimming; or

(iii) cutting the person's hair as a separate and independent service for which a charge is directly or indirectly made separately from a charge for any other service;

(C) cleansing, stimulating, or massaging a person's scalp, face, neck, arms, or shoulders:

(i) by hand or by using a device, apparatus, or appliance; and

(ii) with or without the use of any cosmetic preparation, antiseptic, tonic, lotion, or cream;

(D) beautifying a person's face, neck, arms, or shoulders using a cosmetic preparation, antiseptic, tonic, lotion, powder, oil, clay, cream, or appliance;

(E) treating a person's nails by:

(i) cutting, trimming, polishing, tinting, coloring, cleansing, manicuring, or pedicuring; or

- (ii) attaching false nails;
- (F) massaging, cleansing, treating, or beautifying a person's hands;
- (G) administering facial treatments;
- (H) weaving a person's hair by using any method to attach commercial hair to a person's hair or scalp; or
- (I) ~~shampooing or conditioning a person's hair; or~~
- ~~[(J)] servicing in any manner listed in Paragraph (B) a person's wig, toupee, or artificial hairpiece on a person's head or on a block after the initial retail sale;~~
- (2) advertising or representing to the public in any manner that a person is a barber or is authorized to practice barbering; or
- (3) advertising or representing to the public in any manner that a location or place of business is a barbershop, specialty shop, or barber school.

SECTION 10.002. Subchapter A, Chapter 1601, Occupations Code, is amended by adding Section 1601.0025 to read as follows:

Sec. 1601.0025. SERVICES NOT CONSTITUTING BARBERING. Notwithstanding Section 1601.002, "barbering," "practicing barbering," and "practice of barbering" do not include threading, which involves removing unwanted hair from a person by using a piece of thread that is looped around the hair and pulled to remove the hair and includes the incidental trimming of eyebrow hair.

SECTION 10.003. Section 1601.256(a), Occupations Code, is amended to read as follows:

- (a) A person holding a barber technician license may:
 - (1) perform only barbering as defined by Sections 1601.002(1)(C), (D), (F), and (G); ~~and (I);~~ and
 - (2) practice only at a location that has been issued a barbershop permit.

SECTION 10.004. Section 1601.353, Occupations Code, is amended to read as follows:

Sec. 1601.353. REQUIRED FACILITIES AND EQUIPMENT. The department may approve an application for a permit for a barber school if the school meets the health and safety standards established by the commission. The commission may not establish building or facility standards that are not related to health and safety, including a requirement that a facility have a specific:

- (1) *square footage of floor space* ~~is located in:~~
 - ~~[(A) a municipality with a population of more than 50,000 that has a building of permanent construction containing at least 2,000 square feet of floor space, including classroom and practical areas, covered in a hard surface floor covering of tile or other suitable material; or~~
 - ~~[(B) a municipality with a population of 50,000 or less or an unincorporated area of a county that has a building of permanent construction containing at least 1,000 square feet of floor space, including classroom and practical areas, covered in a hard surface floor covering of tile or other suitable material];~~
- (2) *number of chairs* ~~has the following equipment:~~
 - ~~[(A) at least 10 student workstations that include a chair that reclines, a back bar, and a wall mirror;~~
 - ~~[(B) a sink behind every two workstations;~~
 - ~~[(C) adequate lighting for each room;~~
 - ~~[(D) at least 10 classroom chairs and other materials necessary to teach the required subjects; and~~
 - ~~[(E) access to permanent restrooms and adequate drinking fountain facilities]; or~~
 - ~~[and]~~

(3) *number of sinks* [~~meets any other requirement set by the commission~~].

SECTION 10.005. Section 1602.002(a), Occupations Code, is amended to read as follows:

(a) In this chapter, “cosmetology” means the practice of performing or offering to perform for compensation any of the following services:

(1) treating a person’s hair by:

(A) providing any method of treatment as a primary service, including arranging, beautifying, bleaching, cleansing, coloring, cutting, dressing, dyeing, processing, [~~shampooing~~], shaping, singeing, straightening, styling, tinting, or waving;

(B) providing a necessary service that is preparatory or ancillary to a service under Paragraph (A), including bobbing, clipping, cutting, or trimming a person’s hair or shaving a person’s neck with a safety razor; or

(C) cutting the person’s hair as a separate and independent service for which a charge is directly or indirectly made separately from charges for any other service;

(2) [~~shampooing and conditioning a person’s hair~~];

[(3)] servicing a person’s wig or artificial hairpiece on a person’s head or on a block after the initial retail sale and servicing in any manner listed in Subdivision (1);

(3) [(4)] treating a person’s mustache or beard by arranging, beautifying, coloring, processing, styling, trimming, or shaving with a safety razor;

(4) [(5)] cleansing, stimulating, or massaging a person’s scalp, face, neck, or arms:

(A) by hand or by using a device, apparatus, or appliance; and

(B) with or without the use of any cosmetic preparation, antiseptic, tonic, lotion, or cream;

(5) [(6)] beautifying a person’s face, neck, or arms using a cosmetic preparation, antiseptic, tonic, lotion, powder, oil, clay, cream, or appliance;

(6) [(7)] administering facial treatments;

(7) [(8)] removing superfluous hair from a person’s body using depilatories, preparations or chemicals, tweezers, or other devices or appliances of any kind or description [~~tweezing techniques~~];

(8) [(9)] treating a person’s nails by:

(A) cutting, trimming, polishing, tinting, coloring, cleansing, or manicuring; or

(B) attaching false nails;

(9) [(10)] massaging, cleansing, treating, or beautifying a person’s hands or feet;

(10) [(11)] applying semipermanent, thread-like extensions composed of single fibers to a person’s eyelashes; or

(11) [(12)] weaving a person’s hair.

SECTION 10.006. Subchapter A, Chapter 1602, Occupations Code, is amended by adding Section 1602.0025 to read as follows:

Sec. 1602.0025. SERVICES NOT CONSTITUTING COSMETOLOGY. Notwithstanding Section 1602.002(a), “cosmetology” does not include threading, which involves removing unwanted hair from a person by using a piece of thread that is looped around the hair and pulled to remove the hair and includes the incidental trimming of eyebrow hair.

SECTION 10.007. Section 1602.255(c), Occupations Code, is amended to read as follows:

(c) The commission shall adopt rules for the licensing of specialty instructors to teach specialty courses in the practice of cosmetology defined in Sections 1602.002(a)(5), (7), (8), and (10) [~~1602.002(a)(6), (8), (9), and (11)~~].

SECTION 10.008. Section 1602.256(a), Occupations Code, is amended to read as follows:

(a) A person holding a manicurist specialty license may perform only the practice of cosmetology defined in Section 1602.002(a)(8) or (9) [~~1602.002(a)(9) or (10)~~].

SECTION 10.009. Section 1602.257(a), Occupations Code, is amended to read as follows:

(a) A person holding an esthetician specialty license may perform only the practice of cosmetology defined in Sections 1602.002(a)(4), (5), (6), (7), and (10) [~~1602.002(a)(5), (6), (7), (8), and (11)~~].

SECTION 10.010. Section 1602.2571(a), Occupations Code, is amended to read as follows:

(a) A person holding a specialty license in eyelash extension application may perform only the practice of cosmetology defined in Section 1602.002(a)(10) [~~1602.002(a)(11)~~].

SECTION 10.011. Section 1602.259(a), Occupations Code, is amended to read as follows:

(a) A person holding a hair weaving specialty certificate may perform only the practice of cosmetology defined in Section 1602.002(a)(11) [~~Sections 1602.002(a)(2) and (12)~~].

SECTION 10.012. Section 1602.260(a), Occupations Code, is amended to read as follows:

(a) A person holding a wig specialty certificate may perform only the practice of cosmetology defined in Section 1602.002(a)(2) [~~1602.002(a)(3)~~].

SECTION 10.013. Section 1602.261(a), Occupations Code, is amended to read as follows:

(a) A person holding a manicurist/esthetician specialty license may perform only the practice of cosmetology defined in Sections 1602.002(a)(4) through (9) [~~1602.002(a)(5) through (10)~~].

SECTION 10.014. Section 1602.303, Occupations Code, is amended by amending Subsections (b) and (c) and adding Subsection (d) to read as follows:

(b) An application for a private beauty culture school license must be accompanied by the required license fee and inspection fee and:

- (1) be on a form prescribed by the department;
- (2) be verified by the applicant; and
- (3) contain a statement that the building *meets the health and safety standards established by the commission*:

[(A) is of permanent construction and is divided into at least two separate areas:

[(i) one area for instruction in theory; and

[(ii) one area for clinic work;

[(B) contains a minimum of:

[(i) 2,800 square feet of floor space if the building is located in a county with a population of more than 100,000; or

[(ii) 1,800 square feet of floor space if the building is located in a county with a population of 100,000 or less;

[(C) has access to permanent restrooms and adequate drinking fountain facilities; and

[(D) contains, or will contain before classes begin, the equipment established by commission rule as sufficient to properly instruct a minimum of 10 students].

(c) The applicant is entitled to a private beauty culture school license if:

(1) the department determines that the applicant is financially sound and capable of fulfilling the school's commitments for training;

(2) the applicant's facilities *meet the health and safety standards established by the commission* and pass an inspection conducted by the department under Section 1603.103; and

(3) the applicant has not committed an act that constitutes a ground for denial of a license.

(d) *The commission may not establish building or facility standards that are not related to health and safety, including a requirement that a facility have a specific:*

- (1) *square footage of floor space;*
- (2) *number of chairs; or*
- (3) *number of sinks.*

SECTION 10.015. Section 1602.305(a), Occupations Code, is amended to read as follows:

(a) A person holding a specialty shop license may maintain an establishment in which only the practice of cosmetology as defined in Section 1602.002(a)(2), (5), (7), (8), or (10) ~~1602.002(a)(3), (6), (8), (9), or (11)]~~ is performed.

SECTION 10.016. Section 1602.354(a), Occupations Code, is amended to read as follows:

(a) The commission will by rule recognize, prepare, or administer continuing education programs for the practice of cosmetology. Participation in the programs is mandatory for all license renewals ~~[other than renewal of a shampoo specialty certificate].~~

SECTION 10.017. Section 1602.403(c), Occupations Code, is amended to read as follows:

(c) A person holding a beauty shop license or specialty shop license may not employ[:

~~[(1)]~~ a person as an operator or specialist or lease to a person who acts as an operator or specialist unless the person holds a license or certificate under this chapter or under Chapter 1601~~;~~ ~~or~~

~~[(2)] a person to shampoo or condition a person's hair unless the person holds a shampoo apprentice permit or student permit].~~

SECTION 10.018. Section 1603.351, Occupations Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) *Notwithstanding any other law, the commission may adopt rules to:*

(1) *authorize a school licensed under this chapter, Chapter 1601, or Chapter 1602 to account for any hours of instruction completed under those chapters on the basis of clock hours or credit hours; and*

(2) *establish standards for determining the equivalency and conversion of clock hours to credit hours and credit hours to clock hours.*

SECTION 10.019. Section 1603.352(a), Occupations Code, is amended to read as follows:

(a) A person who holds a license, certificate, or permit issued under this chapter, Chapter 1601, or Chapter 1602 and who performs a barbering service described by Section 1601.002(1)(E) or (F) or a cosmetology service described by Section 1602.002(a)(8) or (9) ~~1602.002(a)(9) or (10)]~~ shall, before performing the service, clean, disinfect, and sterilize with an autoclave or dry heat sterilizer or sanitize with an ultraviolet sanitizer, in accordance with the sterilizer or sanitizer manufacturer's instructions, each metal instrument, including metal nail clippers, cuticle pushers, cuticle nippers, and other metal instruments, used to perform the service.

SECTION 10.020. The following provisions of the Occupations Code are repealed:

- (1) Section 1601.260(c);
- (2) Section 1601.261;
- (3) Section 1601.301(c);
- (4) Section 1602.266(c);
- (5) Section 1602.267;

(6) Section 1602.301(c); and

(7) Section 1602.456(b-1).

SECTION 10.021. On the effective date of this Act:

(1) a shampoo apprentice permit issued under former Section 1601.261 or 1602.267, Occupations Code, expires; and

(2) a shampoo specialty certificate issued under Chapter 1602 expires.

SECTION 10.022. As soon as practicable after the effective date of this Act, the Texas Commission of Licensing and Regulation shall adopt rules to implement Sections 1601.353 and 1602.303, Occupations Code, as amended by this article.

SECTION 10.023. (a) The changes in law made by this Act to Chapters 1601, 1602, and 1603, Occupations Code, do not affect the validity of a proceeding pending before a court or other governmental entity on the effective date of this Act.

(b) An offense or other violation of law committed under Chapter 1601, 1602, or 1603, Occupations Code, before the effective date of this Act is governed by the law in effect when the offense or violation was committed, and the former law is continued in effect for that purpose. For purposes of this subsection, an offense or violation was committed before the effective date of this Act if any element of the offense or violation occurred before that date.

ARTICLE 11. VOLUNTEER SECURITY SERVICES

SECTION 11.001. Subchapter N, Chapter 1702, Occupations Code, is amended by adding Section 1702.333 to read as follows:

Sec. 1702.333. PLACE OF RELIGIOUS WORSHIP; CERTAIN VOLUNTEERS.

(a) *In this section, "volunteer security services" means services or activities that are:*

(1) regulated under this chapter; and

(2) provided without compensation or remuneration.

(b) This chapter does not apply to a person who is providing volunteer security services on the premises of a church, synagogue, or other established place of religious worship.

(c) While providing volunteer security services under Subsection (b), a person may not wear a uniform or badge that:

(1) contains the word "security"; or

(2) gives the person the appearance of being a peace officer, personal protection officer, or security officer.

ARTICLE 12. BINGO UNIT MANAGER LICENSE

SECTION 12.001. Section 2001.431(4), Occupations Code, is amended to read as follows:

(4) "Unit manager" means an individual *who is* ~~licensed under this subchapter to be~~ responsible for the revenues, authorized expenses, and inventory of a unit.

SECTION 12.002. The heading to Section 2001.437, Occupations Code, is amended to read as follows:

~~Sec. 2001.437. UNIT MANAGER[; LICENSE].~~

SECTION 12.003. Section 2001.437(c), Occupations Code, is amended to read as follows:

~~(c) [A person may not provide services as a unit manager to licensed authorized organizations that form a unit unless the person holds a unit manager license under this subchapter.]~~ A person designated as an agent under Section 2001.438(b) is not a unit manager on account of that designation for purposes of this section.

SECTION 12.004. Sections 2001.437(d), (e), (f), and (g), Occupations Code, are repealed.

SECTION 12.005. The changes in law made by this article do not affect the right of

any individual licensed before the effective date of this Act to engage in the applicable occupation for the remainder of the term for which the license was issued.

ARTICLE 13. AGRICULTURAL, INDUSTRIAL, AND WILDLIFE CONTROL
FIREWORKS PERMIT

SECTION 13.001. Section 2154.152(a), Occupations Code, is amended to read as follows:

(a) A person must be a licensed distributor if the person:

(1) imports into this state or stores, possesses, and sells Fireworks 1.3G to a licensed pyrotechnic operator or distributor or to a single public display *or* multiple public display ~~or agricultural, industrial, and wildlife control fireworks~~ permit holder; or

(2) imports or stores, possesses, and sells Fireworks 1.4G to a licensed jobber, retailer, or distributor in this state.

SECTION 13.002. Section 2154.251(b), Occupations Code, is amended to read as follows:

(b) A person may not manufacture, distribute, sell, or use fireworks in a public fireworks display ~~or for agricultural, industrial, or wildlife control purposes~~ without an appropriate license or permit. Fireworks manufactured, distributed, sold, or used without an appropriate license or permit are illegal fireworks.

SECTION 13.003. Section 2154.203, Occupations Code, is repealed.

ARTICLE 14. MOTOR VEHICLE TOWING, BOOTING, AND STORAGE

SECTION 14.001. Section 2303.058, Occupations Code, is amended to read as follows:

Sec. 2303.058. ADVISORY BOARD. The Towing *and* Storage ~~and Booting~~ Advisory Board under Chapter 2308 shall advise the commission in adopting vehicle storage rules under this chapter.

SECTION 14.002. Section 2308.002, Occupations Code, is amended by amending Subdivisions (1) and (8-a) and adding Subdivisions (5-b) and (8-b) to read as follows:

(1) "Advisory board" means the Towing *and* Storage ~~and Booting~~ Advisory Board.

(5-b) "Local authority" means a state or local governmental entity authorized to regulate traffic or parking and includes:

(A) an institution of higher education; and

(B) a political subdivision, including a county, municipality, special district, junior college district, housing authority, or other political subdivision of this state.

(8-a) "Peace officer" means a person who is a peace officer under Article 2.12, Code of Criminal Procedure.

(8-b) "Private property tow" means any tow of a vehicle authorized by a parking facility owner without the consent of the owner or operator of the vehicle.

SECTION 14.003. Effective September 1, 2018, Section 2308.004, Occupations Code, is amended to read as follows:

Sec. 2308.004. EXEMPTION. Sections 2308.151(b), 2308.2085, 2308.257, and 2308.258 do ~~[(a) This chapter does]~~ not apply to:

(1) a person who, while exercising a statutory or contractual lien right with regard to a vehicle:

(A) ~~[(1)]~~ installs or removes a boot; or

(B) ~~[(2)]~~ controls, installs, or directs the installation and removal of one or more boots; *or*

(2) ~~[(b) This chapter does not apply to]~~ a commercial office building owner or manager who installs or removes a boot in the building's parking facility.

SECTION 14.004. Section 2308.051(a), Occupations Code, as amended by Chapters

457 (H.B. 2548) and 845 (S.B. 2153), Acts of the 81st Legislature, Regular Session, 2009, is reenacted and amended to read as follows:

(a) The advisory board consists of the following members appointed by the presiding officer of the commission with the approval of the commission:

- (1) one representative of a towing company operating in a county with a population of less than one million;
- (2) one representative of a towing company operating in a county with a population of one million or more;
- (3) one *representative* [owner] of a vehicle storage facility located in a county with a population of less than one million;
- (4) one *representative* [owner] of a vehicle storage facility located in a county with a population of one million or more;
- (5) one parking facility *representative* [owner];
- (6) one *peace officer* [law enforcement officer] from a county with a population of less than one million;
- (7) one *peace officer* [law enforcement officer] from a county with a population of one million or more;
- (8) one representative of a member insurer, as defined by Section 462.004, Insurance Code, of the Texas Property and Casualty Insurance Guaranty Association who writes [property and casualty insurers who write] automobile insurance in this state; and
- ~~[(9) one representative of a booting company]~~
- (9) one person who operates both a towing company and a vehicle storage facility [public member].

SECTION 14.005. Effective September 1, 2018, Section 2308.151, Occupations Code, is amended to read as follows:

Sec. 2308.151. LICENSE OR LOCAL AUTHORIZATION REQUIRED. (a) Unless the person holds an appropriate license under this subchapter, a person may not:

- (1) perform towing operations; or
- (2) operate a towing company.[:]

(b) Unless prohibited by a local authority under Section 2308.2085, a person may:

- (1) ~~[(3)]~~ perform booting operations; and ~~[or]~~
- (2) ~~[(4)]~~ operate a booting company.

SECTION 14.006. Section 2308.205(a), Occupations Code, is amended to read as follows:

(a) A towing company that makes a nonconsent tow shall tow the vehicle to a vehicle storage facility that is operated by a person who holds a license to operate the facility under Chapter 2303, unless:

- (1) the towing company agrees to take the vehicle to a location designated by the vehicle's owner; or
- (2) the vehicle is towed under Section 2308.259(b).

SECTION 14.007. Section 2308.2085, Occupations Code, is amended to read as follows:

Sec. 2308.2085. LOCAL AUTHORITY REGULATION OF ~~[MUNICIPAL ORDINANCE REGULATING]~~ BOOTING ACTIVITIES ~~[COMPANIES AND OPERATORS]~~.

(a) A local authority [municipality] may regulate, in areas in which the entity regulates parking or traffic, ~~[adopt an ordinance that is identical to the]~~ booting activities, including:

- (1) operation of booting companies and operators that operate on a parking facility;
- (2) any permit and sign requirements in connection with the booting of a vehicle; and

(3) ~~[provisions in this chapter or that imposes additional requirements that exceed the minimum standards of the booting provisions in this chapter but may not adopt an ordinance that conflicts with the booting provisions in this chapter.~~

~~[(b) A municipality may regulate the] fees that may be charged in connection with the booting of a vehicle[, including associated parking fees].~~

(b) *Regulations adopted under this section must:*

(1) *incorporate the requirements of Sections 2308.257 and 2308.258;*

(2) *include procedures for vehicle owners and operators to file a complaint with the local authority regarding a booting company or operator; and*

(3) *provide for the imposition of a penalty on a booting company or operator for a violation of Section 2308.258* ~~[(c) A municipality may require booting companies to obtain a permit to operate in the municipality].~~

SECTION 14.008. Section 2308.255, Occupations Code, is amended to read as follows:

Sec. 2308.255. TOWING COMPANY'S ~~[OR BOOT OPERATOR'S]~~ AUTHORITY TO TOW ~~[REMOVE]~~ AND STORE ~~[OR BOOT]~~ UNAUTHORIZED VEHICLE. (a) A towing company ~~[that is insured as provided by Subsection (c)]~~ may, without the consent of an owner or operator of an unauthorized vehicle, *tow the vehicle to [remove]* and store the vehicle at a vehicle storage facility at the expense of the owner or operator of the vehicle if:

(1) the towing company has received written verification from the parking facility owner that:

(A) ~~[the parking facility owner has installed]~~ the signs required by Section 2308.252(a)(1) *are posted*; or

(B) the owner or operator received notice under Section 2308.252(a)(2) or the parking facility owner gave notice complying with Section 2308.252(a)(3); or

(2) on request the parking facility owner provides to the owner or operator of the vehicle information on the name of the towing company and vehicle storage facility that will be used to *tow [remove]* and store the vehicle and the vehicle is:

(A) left in violation of Section 2308.251;

(B) in or obstructing a portion of a paved driveway; or

(C) on a public roadway used for entering or exiting the facility and the *tow [removal]* is approved by a peace officer.

(b) A towing company may not *tow [remove]* an unauthorized vehicle except under:

(1) this chapter;

(2) a municipal ordinance that complies with Section 2308.208; or

(3) the direction of:

(A) a peace officer; or

(B) the owner or operator of the vehicle.

(c) Only a towing company that is insured against liability for property damage incurred in towing a vehicle may *tow [remove]* and store an unauthorized vehicle under this section.

(d) A towing company may *tow [remove]* and store a vehicle under Subsection (a) ~~[and a boot operator may boot a vehicle under Section 2308.257]~~ only if the parking facility owner:

(1) requests that the towing company *tow [remove]* and store ~~[or that the boot operator boot]~~ the specific vehicle; or

(2) has a standing written agreement with the towing company ~~[or boot operator]~~ to enforce parking restrictions in the parking facility.

(e) *When a tow truck is used for a nonconsent tow authorized by a peace officer under*

Section 545.3051, Transportation Code, the operator of the tow truck and the towing company are agents of the law enforcement agency and are subject to Section 545.3051(e), Transportation Code.

SECTION 14.009. Section 2308.257(b), Occupations Code, is amended to read as follows:

(b) A boot operator that installs a boot on a vehicle must affix a conspicuous notice to the vehicle's front windshield or driver's side window stating:

- (1) that the vehicle has been booted and damage may occur if the vehicle is moved;
- (2) the date and time the boot was installed;
- (3) the name, address, and telephone number of the booting company;
- (4) a telephone number that is answered 24 hours a day to enable the owner or operator of the vehicle to arrange for removal of the boot;
- (5) the amount of the fee for removal of the boot and any associated parking fees; ~~and~~
- (6) notice of the right of a vehicle owner or vehicle operator to a hearing under Subchapter J; and
- (7) *in the manner prescribed by the local authority, notice of the procedure to file a complaint with the local authority for violation of this chapter by a boot operator.*

SECTION 14.010. Subchapter F, Chapter 2308, Occupations Code, is amended by adding Sections 2308.258 and 2308.259 to read as follows:

Sec. 2308.258. BOOT REMOVAL. (a) A booting company responsible for the installation of a boot on a vehicle shall remove the boot not later than one hour after the time the owner or operator of the vehicle contacts the company to request removal of the boot.

(b) A booting company shall waive the amount of the fee for removal of a boot, excluding any associated parking fees, if the company fails to have the boot removed within the time prescribed by Subsection (a).

(c) A booting company responsible for the installation of more than one boot on a vehicle may not charge a total amount for the removal of the boots that is greater than the amount of the fee for the removal of a single boot.

Sec. 2308.259. TOWING COMPANY'S AUTHORITY TO TOW VEHICLE FROM UNIVERSITY PARKING FACILITY. (a) *In this section:*

(1) "Special event" means a university-sanctioned, on-campus activity, including parking lot maintenance.

(2) "University" means:

(A) a public senior college or university, as defined by Section 61.003, Education Code; or

(B) a private or independent institution of higher education, as defined by Section 61.003, Education Code.

(b) Subject to Subsection (c), an individual designated by a university may, to facilitate a special event, request that a vehicle parked at a university parking facility be towed to another location on the university campus.

(c) A vehicle may not be towed under Subsection (b) unless signs complying with this section are installed on the parking facility for the 72 hours preceding towing enforcement for the special event and for 48 hours after the conclusion of the special event.

(d) Each sign required under Subsection (c) must:

(1) contain:

(A) a statement of:

(i) the nature of the special event; and

(ii) the dates and hours of towing enforcement; and

(B) the number, including the area code, of a telephone that is answered 24 hours a day to identify the location of a towed vehicle;

(2) face and be conspicuously visible to the driver of a vehicle that enters the facility;

(3) be located:

(A) on the right or left side of each driveway or curb-cut through which a vehicle can enter the facility, including an entry from an alley abutting the facility; or

(B) at intervals along the entrance so that no entrance is farther than 25 feet from a sign if:

(i) curbs, access barriers, landscaping, or driveways do not establish definite vehicle entrances onto a parking facility from a public roadway other than an alley; and

(ii) the width of an entrance exceeds 35 feet;

(4) be made of weather-resistant material;

(5) be at least 18 inches wide and 24 inches tall;

(6) be mounted on a pole, post, wall, or free-standing board; and

(7) be installed so that the bottom edge of the sign is no lower than two feet and no higher than six feet above ground level.

(e) If a vehicle is towed under Subsection (b), personnel must be available to:

(1) release the vehicle within two hours after a request for release of the vehicle; and

(2) accept any payment required for the release of the vehicle.

(f) A university may not charge a fee for a tow under Subsection (b) that exceeds 75 percent of the private property tow fee established under Section 2308.0575.

(g) A vehicle towed under Subsection (b) that is not claimed by the vehicle owner or operator within 48 hours after the conclusion of the special event may only be towed:

(1) without further expense to the vehicle owner or operator; and

(2) to another location on the university campus.

(h) The university must notify the owner or operator of a vehicle towed under Subsection (b) of the right of the vehicle owner or operator to a hearing under Subchapter J.

SECTION 14.011. The heading to Subchapter I, Chapter 2308, Occupations Code, is amended to read as follows:

SUBCHAPTER I. REGULATION OF TOWING COMPANIES,~~BOATING~~
COMPANIES,] AND PARKING FACILITY OWNERS

SECTION 14.012. (a) The following provisions of the Occupations Code are repealed:

(1) Section 2308.002(9); and

(2) Section 2308.103(d).

(b) Effective September 1, 2018, Sections 2308.1555 and 2308.1556, Occupations Code, are repealed.

SECTION 14.013. (a) On September 1, 2018, a license issued under former Section 2308.1555 or 2308.1556, Occupations Code, expires.

(b) The changes in law made by this article to Section 2308.051(a), Occupations Code, regarding the qualifications for a member of the Towing and Storage Advisory Board do not affect the entitlement of a member serving on the board immediately before the effective date of this article to continue to serve and function as a member of the board for the remainder of the member's term. When board vacancies occur on or after the effective date of this article, the presiding officer of the Texas Commission of Licensing and Regulation shall appoint new members to the board in a manner that reflects the changes in law made by this article.

(c) The changes in law made by this article to Section 2308.255, Occupations Code, do

not apply to the booting of a vehicle pursuant to a standing written agreement between a booting company and a parking facility owner entered into before the effective date of this article. The booting of a vehicle pursuant to a standing written agreement entered into before the effective date of this article is governed by the law as it existed immediately before the effective date of this article, and that law is continued in effect for that purpose.

SECTION 14.014. Except as otherwise provided by this article, this article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2017.

ARTICLE 15. CERTAIN LOCAL TRANSPORTATION ENTITIES AND CONTRACTS

SECTION 15.001. (a) This article applies only to a county board of education, board of county trustees, or office of county school superintendent that provides transportation services in a county with a population of 2.2 million or more.

(b) If on the effective date of this Act there is an existing contract for transportation services to which a county board of education, board of county trustees, or office of county school superintendent is a party, it shall be wound down in the manner described by Subsections (c)–(r) of this section.

(c) Each county board of education, board of county school trustees, and office of county school superintendent in a county with a population of 2.2 million or more and that is adjacent to a county with a population of more than 800,000 is abolished effective November 15, 2017, unless the continuation of the county board of education, board of county school trustees, and office of county school superintendent is approved by a majority of voters at an election held on the November 2017 uniform election date in the county in which the county board of education, board of county school trustees, and office of county school superintendent are located. Subsections (d)–(s) of this section do not take effect in a county if the continuation of the county board of education, board of county school trustees, and office of county school superintendent is approved at the election held in the county under this subsection.

(d) Not later than November 15, 2017, a dissolution committee shall be formed for each county board of education or board of county school trustees to be abolished as provided by Subsection (c) of this section. The dissolution committee is responsible for all financial decisions for each county board of education or board of county school trustees abolished by this Act, including asset distribution and payment of all debt obligations.

(e) A dissolution committee required by this Act shall be appointed by the comptroller and include:

- (1) one financial advisor;
- (2) the superintendent of the participating component school district with the largest number of students in average daily attendance or the superintendent's designee;
- (3) one certified public accountant;
- (4) one auditor who holds a license or other professional credential; and
- (5) one bond counsel who holds a license or other professional credential.

(f) A dissolution committee created under this Act is subject to the open meetings requirements under Chapter 551, Government Code, and public information requirements under Chapter 552, Government Code.

(g) Members of a dissolution committee may not receive compensation but are entitled to reimbursement for actual and necessary expenses incurred in performing the functions of the dissolution committee.

(h) Subject to the other requirements of this Act, the dissolution committee shall determine the manner in which all assets, liabilities, contracts, and services of the county board of education or board of county school trustees abolished by this Act are

divided, transferred, or discontinued. The dissolution committee shall create a sinking fund to deposit all money received in the abolishment of each county board of education or board of county school trustees for the payment of all debts of the county board of education or board of county school trustees.

(i) The dissolution committee shall continue providing transportation services to participating component school districts for the 2017–2018 school year. The dissolution committee shall maintain current operations and personnel needed to provide the transportation services.

(j) At the end of the 2017–2018 school year all school buses, vehicles, and bus service centers shall be transferred to participating component school districts in proportionate shares equal to the proportion that the membership in each district bears to total membership in the county as of September 1, 2018, at no cost to the districts.

(k) The dissolution committee may employ for the 2017–2018 school year one person to assist in the abolishment of the county board of education or board of county school trustees.

(l) On November 15, 2017, the participating component school district with the largest number of students in average daily attendance has the right of first refusal to buy, at fair market value, the administrative building of the county board of education or board of county school trustees.

(m) An ad valorem tax assessed by a county board of education or board of county school trustees shall continue to be assessed by the county on behalf of the board for the purpose of paying the principal of and interest on any bonds issued by the county board of education or board of county school trustees until all bonds are paid in full. This subsection applies only to a bond issued before the effective date of this Act for which the tax receipts were obligated. On payment of all bonds issued by the county board of education or board of county school trustees the ad valorem tax may not be assessed.

(n) In the manner provided by rule of the commissioner of education, the county shall collect and use any delinquent taxes imposed by or on behalf of the county board of education or board of county school trustees.

(o) The dissolution committee shall distribute the assets remaining after discharge of the liabilities of the county board of education or board of county school trustees to the component school districts in the county in proportionate shares equal to the proportion that the membership in each district bears to total membership in the county as of September 1, 2017. The dissolution committee shall liquidate board assets as necessary to discharge board liabilities and facilitate the distribution of assets. A person authorized by the dissolution committee shall execute any documents necessary to complete the transfer of assets, liabilities, or contracts.

(p) The dissolution committee shall encourage the component school districts to:

(1) continue sharing services received through the county board of education or board of county school trustees; and

(2) give preference to private sector contractors to continue services provided by the county board of education or board of county school trustees.

(q) The chief financial officer and financial advisor for the county board of education or board of county school trustees shall provide assistance to the dissolution committee in abolishing the county board of education or board of county school trustees.

(r) The Texas Education Agency shall provide assistance to a dissolution committee in the distribution of assets, liabilities, contracts, and services of a county board of education or board of county school trustees abolished by this Act.

(s) Any dissolution committee created as provided by this Act is abolished on the date all debt obligations of the county board of education or board of county school trustees are paid in full and all assets distributed to component school districts.

SECTION 15.002. Chapter 266 (S.B. 394), Acts of the 40th Legislature, Regular Session, 1927 (Article 2700a, Vernon's Texas Civil Statutes), is repealed.

ARTICLE 16. REGISTRATION OF MARKS

SECTION 16.001. Section 16.051(a), Business & Commerce Code, is amended to read as follows:

(a) A mark that distinguishes an applicant's goods or services from those of others is registrable unless the mark:

- (1) consists of or comprises matter that is immoral, deceptive, or scandalous;
- (2) consists of or comprises matter that may disparage, falsely suggest a connection with, or bring into contempt or disrepute:
 - (A) a person, whether living or dead;
 - (B) an institution;
 - (C) a belief; or
 - (D) a national symbol;
- (3) depicts, comprises, or simulates the flag, the coat of arms, *the seal, the geographic outline*, or other insignia of:
 - (A) the United States;
 - (B) a state;
 - (C) a municipality; or
 - (D) a foreign nation;
- (4) consists of or comprises the name, signature, or portrait of a particular living individual who has not consented in writing to the mark's registration;
- (5) when used on or in connection with the applicant's goods or services:
 - (A) is merely descriptive or deceptively misdescriptive of the applicant's goods or services; or
 - (B) is primarily geographically descriptive or deceptively misdescriptive of the applicant's goods or services;
- (6) is primarily merely a surname; or
- (7) is likely to cause confusion or mistake, or to deceive, because, when used on or in connection with the applicant's goods or services, it resembles:
 - (A) a mark registered in this state; or
 - (B) an unabandoned mark registered with the United States Patent and Trademark Office.

ARTICLE 17. CONFLICT OF LAW; EFFECTIVE DATE

SECTION 17.001. To the extent of any conflict, this Act prevails over another Act of the 85th Legislature, Regular Session, 2017, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 17.002. To the extent of any conflict, Sections 1601.353 and 1602.303, Occupations Code, as amended by this Act, prevail over another Act of the 85th Legislature, Regular Session, 2017.

SECTION 17.003. It is the intent of the 85th Legislature, Regular Session, 2017, that the amendments made by this Act to Section 17.46(b), Business & Commerce Code, be harmonized as provided by Section 311.025(b), Government Code, as if the amendments were enacted without reference to each other.

SECTION 17.004. Except as otherwise provided by this Act, this Act takes effect September 1, 2017.

Passed the Senate on April 24, 2017: Yeas 30, Nays 0; May 25, 2017, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 26, 2017, House granted request of the Senate; May 28, 2017, Senate adopted Conference Committee Report by the following vote: Yeas 30, Nays 1;

passed the House, with amendments, on May 23, 2017: Yeas 131, Nays 12, two present not voting; May 26, 2017, House granted request of the Senate for appointment of Conference Committee; May 28, 2017, House adopted Conference Committee Report by the following vote: Yeas 145, Nays 0, two present not voting.

Approved June 15, 2017.

Effective September 1, 2017, except Article 14 takes effect immediately, excluding Sections 14.003, 14.005, and 14.012(b), which take effect September 1, 2018, and Article 8 takes effect September 1, 2019.

VEHICLE REGISTRATION

CHAPTER 968

S.B. No. 2075

AN ACT

relating to vehicle registration.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 91.905, Natural Resources Code, is amended to read as follows:

Sec. 91.905. APPLICATION OF OTHER LAW. Section 212.153(e), Local Government Code, and Sections 203.092 and [;] 224.008, [~~and 502.1981(c)(4);~~] Transportation Code, apply to saltwater pipeline operators and saltwater pipeline facilities in the same manner as they apply to utilities and utility facilities.

SECTION 2. Section 502.001(2), Transportation Code, is amended to read as follows:

(2) "Apportioned license plate" means a license plate issued in lieu of a truck, *motor bus*, [~~license plate~~] or combination license plate to a motor carrier in this state who proportionally registers a vehicle owned or leased by the carrier in one or more other states.

SECTION 3. Section 502.0023, Transportation Code, is amended by amending Subsections (c) and (e) and adding Subsection (c-1) to read as follows:

(c) In addition to the registration fees prescribed by this chapter, an owner registering a commercial fleet under this section shall pay:

(1) *a one-time* [~~an annual commercial fleet registration~~] fee of \$10 per motor vehicle, semitrailer, or trailer in the fleet; and

(2) except as provided by Subsection (e), a one-time license plate manufacturing fee of \$1.50 for each fleet motor vehicle, semitrailer, or trailer license plate.

(c-1) *A fee collected under Subsection (c) shall be deposited to the credit of the Texas Department of Motor Vehicles fund.*

(e) In addition to all other applicable registration fees, an owner registering a commercial fleet under this section shall pay a one-time license plate manufacturing fee of \$8 for each set of plates issued that includes on the legend the name or logo of the business entity that owns the vehicle instead of the fee imposed by Subsection (c)(2). *A license plate manufacturing fee collected under this section shall be deposited to the credit of the Texas Department of Motor Vehicles fund.*

SECTION 4. Section 502.040(b), Transportation Code, is amended to read as follows:

(b) The application must be accompanied by personal identification as determined by department rule and made in a manner prescribed by the department:

(1) through the county assessor-collector of the county in which the owner resides;
or

(2) *if the office of that assessor-collector is closed, or may be closed for a protracted period of time, as defined by department rule, through a* [~~if the county in which the~~